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Business and Regulatory Reform VC
Families and Human Services VC
Government Operations
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The Jacobs Report

FOR IMMEDIATE RELEASE
Friday, July 18, 2003

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BUDGET ENDS, STATE MAINTAINS HIGHEST BOND RATING

Governor Jennifer Granholm declared victory as her first budget session came to a close Thursday. As legislators wrapped up a lengthy and sometimes contentious budget process, the governor celebrated with the announcement that Michigan had maintained its "AAA" bond rating with two of the major Wall Street rating firms.

Standard & Poor's decided to re-affirm the top rating, saying the state's "effective financial management structure, procedure and policies" helped to continue to secure the rating. Michigan is one of only eight states to maintain S&P "AAA" status through the economy's current tailspin. Moody's Investors Services also gave Michigan the ir top rating.

Ms. Granholm was pleased that S&P specifically indicated that the creation of a new stabilization fund for schools "is of particular importance to the rating" because it allows the state to build reserves without putting it in a position of rolling back the single business tax earlier than scheduled. The school rainy day fund was a tough battle for the governor earlier this year since many legislative Republicans initially opposed it.

BUDGET A "WIN-WIN" FOR BOTH SIDES

Governor Granholm welcomed reporters to her Capitol office for discussion of the completed budget Thursday, saying that she felt Michigan "completely came out a winner. It was a win-win budget" with both Democrats and Republicans seeing many of their priorities funded. Republican leaders concurred, praising the budget and the legislative session that just concluded. "We have applied a disciplined, systematic approach to meeting these challenges," said Senate Majority Leader Ken Sikkema (R-Wyoming).

Reading from her April budget address to the Legislature, the governor touted a long list of accomplishments in the completed budget, including preservation of the \$6,700 pupil foundation allowance, maintaining early childhood education funding, making 40,000 caretakers of low-income children eligible for Medicaid, maintaining reimbursement rates to health care providers and tripling the number of older residents for prescription assistance, along with creating new fees on water polluters.

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1-696/FRANKLIN ROAD INTERCHANGE INCLUDED ON GOVERNOR'S LIST OF APPROVED PROJECTS

Governor Granholm has recommended that work resume on the project to modify the I-696/US-24/M-10 interchange in Southfield. This project is one of the 34 that were paused as part of the Preserve First Initiative.

"I'm very pleased that the Governor included this important project in her recommendations," said Senator Gilda Z. Jacobs (D-Huntington Woods). "The modification of this interchange should allow for much greater access and help to eliminate some of the heavy traffic congestion in this area."

The project, which is one of 17 recommended by Governor Granholm for resumption, will modify the existing interchange at I-696/US-24/M-10 and add two ramps (an east bound off-ramp to Franklin Road and a west bound on-ramp from Northwestern Highway) to improve access to the area. Construction could begin in late 2004, pending successful resolution of local design and right-of-way issues.

"I applaud the Governor for her leadership on this issue," said Jacobs. "These types of creative solutions are necessary during challenging economic times. Her plan addresses the most pressing expansion projects, such as the I-696/Franklin Road interchange, while still remaining committed to preserving our existing roads."

MICHIGAN CITED FOR BEST BROADBAND STRATEGY

Michigan, anchored by the Michigan Broadband Development Authority, has the nation's best policy structure to encourage development of high-speed Internet access, according to a study of state broadband strategies released Thursday. Michigan was given a score of 133.6 points based on a variety of factors that influence its policy climate, almost double the 77.6 points for Florida, the second ranking state among the top 25 assessed in the report.

The broadband authority, which underwrites loans for broadband development targeted particularly to underserved areas, also works to speed approval for broadband projects. Broadband is available virtually everywhere in Michigan, through telecommunications lines, cable and satellite, though price and reliability are problems in some rural and urban areas.

The study was commissioned by TechNet, a national advocacy group for high-speed connections for both business and consumer use.

The report is available on the Web at: http://www.technet.org/resources/State_Broadband_Index.pdf

State Senator Gilda Jacobs represents the 14th Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Economic Development, Small Business & Regulatory Reform Committee. She also serves on the Government Operations and Health Policy Committees.

Constituents of the 14th District may contact Senator Jacobs at sengjacobs@senate.michigan.gov or toll-free at 1-888-937-4453.

This newsletter is produced in single-space form in order to save paper and transmission costs.

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